

RESOLUTION NO. 2005-203

A RESOLUTION OF THE LODI CITY
COUNCIL ESTABLISHING WATER RATES

WHEREAS, the Council of the City of Lodi finds as follows:

1. The City of Lodi provides water supply to its citizens;
2. The City charges customers of these utilities a charge to fund the on-going operation and maintenance of the water supply;
3. The City discovered the chlorinated solvents perchloroethylene (PCE) and trichloroethylene (TCE) in its groundwater in 1989, both of which are identified as hazardous to human health by state and federal regulators. The City then began a program to attempt to identify the responsible parties and *secure recoveries* to fund the remediation. *Thereafter*, the City was itself alleged to be a potentially responsible party for the contamination arising from the operation of its water and wastewater utilities and ultimately entered into a number of settlements with third parties in connection with the program;
4. The net cost for these activities has been borne by the water fund until fiscal year 2004-05, in which approximately half was also advanced from the wastewater fund. While the total and final cost of *remediation* including past costs and net of settlements with third parties is not precisely known, it has been reasonably estimated by staff and consultants at \$45.7 million. These costs could be fairly borne by either the water or wastewater funds or both since the City's alleged liability arises from both operations. Due to rate covenants associated with existing and anticipated financing in the wastewater utility, the overall impact will be lower on water rates than on wastewater rates. Thus, the City Public Works Director has recommended increases to the current water rates;
5. The Council directed that notice of a hearing thereon be given to the property owners in the City, with such notice to include, among other matters, the information required to be included pursuant to California law;
6. Such notice has been mailed to those property owners, at least 45 days before the hearing, as evidenced by a Certificate of Mailing on file with the City Clerk;
7. The Council also directed that notice of a hearing thereon be given with such notice to include the information required to be included pursuant to Government Code Section 54354.5;
8. Such notice has been published once each week for two weeks in the Lodi News-Sentinel as evidenced by Proofs of Publication on file with the City Clerk and additional notice has been provided in City utility bills;
9. On September 21, 2005, the City Council conducted said public hearing, at which time the City Council heard all objections and protests to the proposed increased rates;
10. Written protests against the proposed increased rates were not presented by a majority of the property owners.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lodi as follows:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Levy of Charges. Pursuant to Section 13.08.010 of the Lodi Municipal Code, the increased water rates as attached hereto as Exhibit "A" are hereby approved.

Section 3. Subsequent Adjustments. The rates shown in Exhibit A may be adjusted periodically by resolution, with Council approval following a public hearing, in an amount not to exceed the percentage change in the Consumer Price Index since the previous adjustment. The index used shall be the unadjusted San Francisco – All Urban Consumers Index as published by the United States Bureau of Labor Statistics or other index as approved by the City Council by resolution.

Section 4. Council Review. Staff shall report to Council within five years of the adoption of the attached rate schedule regarding the actual revenues and expenses of the remediation program to that date and projected future revenues and expenses for Council consideration of any needed adjustments to the rates.

Section 5. Program Accounting: The Finance Director is directed to account separately for all income and expenses of the remediation program so that the cost of the program can be readily compared to the funds raised by the rates set forth in Exhibit A.

Section 6. Effective Date. This resolution shall take effect from and after the date of its passage.

Dated: September 21, 2005

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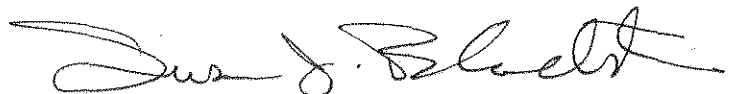
I hereby certify that Resolution No. 2005-203 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 21, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, and Johnson

NOES: COUNCIL MEMBERS – Mounce and Mayor Beckman

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk

City of Lodi Water Rate Table

Exhibit A

Proposed Water Rates Fiscal Years 2005/06 through 2007/08

| Flat Rates Single-Family Residential | Current Rates Effective 5/1/2005 | | | | Rates Effective 1/1/2006 | | | | Rates Effective (1) 7/1/2006 | | | | Rates Effective (1) 7/1/2007 | | | |
|--|-------------------------------------|----------------|-----------------|------------------|-------------------------------------|----------------|-----------------|------------------|--------------------------------------|----------------|-----------------|------------------|-------------------------------------|----------------|-----------------|------------------|
| | Base | Infr. | PCE/ | Monthly Total | Base | Infr. | PCE/ | Monthly Total | Base | Infr. | PCE/ | Monthly Total | Base | Infr. | PCE/ | Monthly Total |
| | | | TCE | | | | TCE | | | | TCE | | | | TCE | |
| 1 BR - House | 13.67 | 4.97 | 0.00 | 18.64 | 13.67 | 4.97 | 2.43 | 21.07 | 13.67 | 4.97 | 4.86 | 23.50 | 13.67 | 4.97 | 7.29 | 25.93 |
| 2 BR - House | 16.41 | 5.97 | 0.00 | 22.38 | 16.41 | 5.97 | 2.92 | 25.30 | 16.41 | 5.97 | 5.84 | 28.22 | 16.41 | 5.97 | 8.76 | 31.14 |
| 3 BR - House | 19.68 | 7.15 | 0.00 | 26.83 | 19.68 | 7.15 | 3.50 | 30.33 | 19.68 | 7.15 | 7.00 | 33.83 | 19.68 | 7.15 | 10.50 | 37.33 |
| 4 BR - House | 23.64 | 8.60 | 0.00 | 32.24 | 23.64 | 8.60 | 4.20 | 36.44 | 23.64 | 8.60 | 8.41 | 40.65 | 23.64 | 8.60 | 12.61 | 44.85 |
| 5 BR - House | 28.36 | 10.32 | 0.00 | 38.68 | 28.36 | 10.32 | 5.04 | 43.72 | 28.36 | 10.32 | 10.09 | 48.77 | 28.36 | 10.32 | 15.13 | 53.81 |
| 6 BR - House | 34.03 | 12.38 | 0.00 | 46.41 | 34.03 | 12.38 | 6.05 | 52.46 | 34.03 | 12.38 | 12.10 | 58.51 | 34.03 | 12.38 | 18.16 | 64.57 |
| 7 BR - House | 40.82 | 14.85 | 0.00 | 55.67 | 40.82 | 14.85 | 7.26 | 62.93 | 40.82 | 14.85 | 14.52 | 70.19 | 40.82 | 14.85 | 21.78 | 77.45 |
| Multi-Family Residential | | | | | | | | | | | | | | | | |
| 1 BR - APT | 11.73 | 4.27 | 0.00 | 16.00 | 11.73 | 4.27 | 2.09 | 18.09 | 11.73 | 4.27 | 4.17 | 20.17 | 11.73 | 4.27 | 6.26 | 22.26 |
| 2 BR - APT | 14.07 | 5.12 | 0.00 | 19.19 | 14.07 | 5.12 | 2.50 | 21.69 | 14.07 | 5.12 | 5.00 | 24.19 | 14.07 | 5.12 | 7.51 | 26.70 |
| 3 BR - APT | 16.88 | 6.14 | 0.00 | 23.02 | 16.88 | 6.14 | 3.00 | 26.02 | 16.88 | 6.14 | 6.00 | 29.02 | 16.88 | 6.14 | 9.01 | 32.03 |
| 4 BR - APT (2) | 20.26 | 7.38 | 0.00 | 27.64 | 20.26 | 7.38 | 3.60 | 31.24 | 20.26 | 7.38 | 7.21 | 34.85 | 20.26 | 7.38 | 10.81 | 38.45 |
| Flat- Rate Commercial Customers - Varies | | | | | Flat rates increase 13.05% 01/01/06 | | | | Flat rates increase 11.545% 07/01/06 | | | | Flat rates increase 10.35% 07/01/07 | | | |
| Metered Rates (3) | Base | Base \$/ccf | Infr. \$/ccf | PCE/ TCE | Base | Base \$/ccf | Infr. \$/ccf | PCE/ TCE | Base | Base \$/ccf | Infr. \$/ccf | PCE/ TCE | Base | Base \$/ccf | Infr. \$/ccf | PCE/ TCE |
| 5/8" x 3/4" meter | - | - | - | - | 14.35 | 0.490 | 0.233 | 3.19 | 14.35 | 0.490 | 0.233 | 6.37 | 14.35 | 0.490 | 0.233 | 9.56 |
| 3/4" meter (Standard) | 15.77 | 0.490 | 0.233 | 0.00 | 15.77 | 0.490 | 0.233 | 3.50 | 15.77 | 0.490 | 0.233 | 7.00 | 15.77 | 0.490 | 0.233 | 10.50 |
| 1" meter | 23.65 | 0.490 | 0.233 | 0.00 | 23.65 | 0.490 | 0.233 | 5.25 | 23.65 | 0.490 | 0.233 | 10.51 | 23.65 | 0.490 | 0.233 | 15.76 |
| 1 1/2" meter" | 31.53 | 0.490 | 0.233 | 0.00 | 31.53 | 0.490 | 0.233 | 7.00 | 31.53 | 0.490 | 0.233 | 14.00 | 31.53 | 0.490 | 0.233 | 21.01 |
| 2" meter | 39.43 | 0.490 | 0.233 | 0.00 | 39.43 | 0.490 | 0.233 | 8.76 | 39.43 | 0.490 | 0.233 | 17.51 | 39.43 | 0.490 | 0.233 | 26.27 |
| 3" meter | 55.19 | 0.490 | 0.233 | 0.00 | 55.19 | 0.490 | 0.233 | 12.26 | 55.19 | 0.490 | 0.233 | 24.51 | 55.19 | 0.490 | 0.233 | 36.77 |
| 4" meter | 70.96 | 0.490 | 0.233 | 0.00 | 70.96 | 0.490 | 0.233 | 15.76 | 70.96 | 0.490 | 0.233 | 31.52 | 70.96 | 0.490 | 0.233 | 47.28 |
| 6" meter | 102.60 | 0.490 | 0.233 | 0.00 | 102.60 | 0.490 | 0.233 | 22.77 | 102.60 | 0.490 | 0.233 | 45.53 | 102.60 | 0.490 | 0.233 | 68.30 |
| 8" meter | 134.06 | 0.490 | 0.233 | 0.00 | 134.06 | 0.490 | 0.233 | 29.75 | 134.06 | 0.490 | 0.233 | 59.50 | 134.06 | 0.490 | 0.233 | 89.25 |
| 10" meter | 165.60 | 0.490 | 0.233 | 0.00 | 165.60 | 0.490 | 0.233 | 36.75 | 165.60 | 0.490 | 0.233 | 73.50 | 165.60 | 0.490 | 0.233 | 110.25 |

- (1) Rates effective each July 1 will be adjusted for changes in the Consumer Price Index
- (2) Plus 20% for each additional bedroom
- (3) Monthly total for metered customers depends on amount of water used; ccf = one hundred cubic feet
- (4) Established City Utility Discounts apply to above rates